(d) if so, the reasons for the Reserve Bank of India's deep concern?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. The inflation measured in terms of WPI for all commodities reached 4.11 per cent on January 26,2008. Weekly annual inflation rate from 1st week of April 2007 is indicated in the Table 1.

Table-1. Weekly annual inflation (per cent)

| Week end | Inflation | Week end | Inflation | Week end | Inflation | Week end | Inflation |
|---|---|---|---|---|---|---|---|
| 07-Apr.-07 | 6.44 | 07-Jul-07 | 4.61 | 06-Oct-07 | 3.22 | 05-Jan-08 | 3.79 |
| 14-Apr:07 | 6.34 | 14-Jul-07 | 4.76 | 13-Oct-07 | 3.07 | 12-Jan-08 | 3.83 |
| 21-Apr.-07 | 6.07 | 21-Jul-07 | 4.65 | 20-Oct-07 | 3.11 | 19-Jan-08 | 3.93 |
| 28-Apr.-07 | 6.01 | 28-Jul-07 | 4.70 | 27-Oct-07 | 3.11 | 26-Jan-08 | 4.11 |
| 05-May-07 | 5.74 | 04-Aug-07 | 4.39 | 03-Nov-07 | 3.35 | 02-Feb-08 | 4.07 |
| 12-May-07 | 5.62 | ll-Aug-07 | 4.24 | lO-Nov-07 | 3.20 | 09-Feb-08 | 4.35 |
| 19-May-07 | 5.30 | 18-Aug-07 | 3.99 | 17-Nov-07 | 3.35 | 16-Feb-08 | |
| 26-May-07 | 5.15 | 25-Aug-07 | 3.94 | 24-Nov-06 | 3.11 | 23-Feb-08 | |
| 02-Jun-07 | 5-09 | 01-Sep-07 | 3.72 | Ol-Dec-07 | 3.89 | 01-Mar-08 | |
| 09-Jun-07 | 4.28 | 08-Sep-07 | 3.46 | 08-Dec-07 | 3.84 | 08-Mar-08 | |
| 16-Jun-07 | 4.13 | 15-Sep-07 | 3.51 | 15-Dec-07 | 3.84 | 15-Mar-08 | |
| 23-Jun-07 | 4.32 | 22-Sep-07 | 3.51 | 22-Dec-07 | 3.50 | 22-Mar-08 | |
| 30-Jun-07 | 4.42 | 29-Sep-07 | 3.36 | 29-Dec-07 | 3.50 | 29-Mar-08 | |

(c) and (d) The Reserve Bank of India (RBI) in the Third Quarter Review of the Annua! Policy Statement of 2007-08 has mentioned that increase in international prices of oil, foodgrains and other commodities are visibly reflecting the strains imposed by aggregate demand conditions.

**Opening of branches by banks**

†38. SHRI DATTA MEGHE:
SHRI SANJAY RAUT:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that private sector banks are opening their branches rapidly as compared to that of the public sector banks;

(b) if so, number of new branches opened by the public sector banks in the rural areas during last one year;

(c) whether it is also fact that inspite of representation being received for opening of branches of the banks in rural areas and remote hilly areas, the branches of the banks have not been opened as yet; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. 1014 branches of Public Sector Banks and 353 branches of Private Sector Banks were opened during the period from April 1, 2006 to March 31, 2007, respectively. During this period, 69 rural branches were opened by the Public Sector Banks.

†Original notice of the question was received in Hindi

(c) and (d) Public Sector Banks are free to decide about opening of new branches, including those in rural and remote hilly areas, on the basis of their commercial judgement and are required to follow various guidelines and formalities stipulated by the Reserve Bank of India (RBI) including assessing the viability and business potential of the area, finding out premises, ensure logistic arrangements etc., which are time consuming. Under the provisions of the Master Circular of RBI on Branch Authorisation issued on 2 July, 2007, banks have been given freedom to submit their Branch Expansion Plans to RBI for approval on annual basis, during the year. Banks are, however, required to open branches within one year from the date of receipt of authorization from the RBI. Banks can also approach RBI for opening of branches especially in rural/underbanked areas any time during the year.

**Crash in Stock Market**

39. SHRI M.V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there was a crash in stock market to the extent more than 4000 points in five trading days;

(b) if so, the reasons therefor;

(c) what is the impact of the crash on the Indian Economy, on the Government revenues and loss incurred by the Indian Investors; and

(d) whether it is a fact that FIIs (Foregin Institutional Investors) withdrew substantial funds by booking profits?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) A Statement-I (*See* below) indicating monthly movement of stock indices from April, 2007 to December, 2007 and daily movement for the month of January, 2008 is enclosed.

(b) The movement of stock market indices or price of a specific share is a function of the investors—domestic and overseas, retail and institutional—about the economy, the sector and the Company. This perception is influecned by many factors including the macro-economic environment, the growth potential of the economy, policy credibility of the Government, corporate performance, domestic and international events, and market sentiments.

The recent movement in stock prices is attributed among others to sub-prime mortgage crisis in the US, change in the monetary stance of developed countries, the expected recession in US, firming up oil rise on oil prices, Yen carry trade, the policy measures on Offshore Derivative instruments by SEBI, impact of primary market issues, relative valuations in emerging markets, etc.

(c) Government has not made any assessment.

(d) A Statement indicating monthly net investment in equities by FIIs from April, 2007 to December, 2007 and net investments for the month of January, 2008 is enclosed.